

CSA Absolute Return Fund Limited (In Liquidation)  
("the Company")

Circular to Creditors and Contributories

Date: 9 March 2005

The First Meetings of Contributories and Creditors held on 17 February 2005 were attended in person or by proxy by approximately 80% and 75% of the respective totals. The appointment of John Toohey and myself as Liquidators of the Company was confirmed together with a Committee of Inspection comprising:

- a) Randolph Menton
- b) Mark Christal
- c) Cheung Man Fai, German
- d) Jenny Wen Chun Liu
- e) Duly authorised representative of IPP Financial Advisers Pte Ltd
- f) Jason Toms
- g) Duly authorised representative of Lloyds (BVI) Nominees Ltd

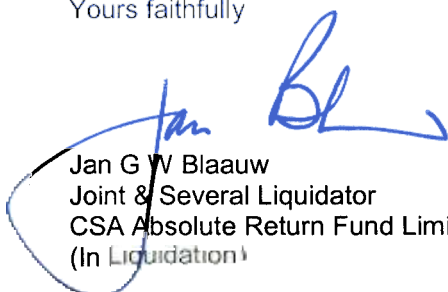
On 1 March 2005, the Hong Kong Court issued an order approving the above appointments and the committee met on 3 March. We explained the duties and responsibilities of the committee, and outlined the liquidation and legal strategies and timetable in respect of asset recoveries, third party claims and dividend distributions, together with other administrative matters. The appointment of liquidators in the BVI was made on 13 December 2004 and an application to the BVI court for the appointment of the committee is in progress.

Our appointment as provisional liquidators was restricted to preserving and protecting the assets while investigating the affairs of the Company. Now that we are appointed liquidators, a number of legal applications will be brought, with the sanction of the committee, to recover various assets identified. As explained in our previous circulars the affairs of the Company are complex, as are these applications. In order to enable us to make efficient progress on asset recoveries, we will initially be making a number of separate applications (approximately 10) in respect of individual assets. If we were to attempt to make one consolidated application, there could be substantial delays to commencing this process and issues or questions on tracing one asset could delay the recovery progress on others. Furthermore in preparation for proceedings against third parties we have instructed our legal advisors to advise on the merits of the various potential claims.

We have received proofs of debts from approximately 75% of creditors in relation to the meetings held on 17 February. In order to enable the distribution process to proceed promptly, **we request that those creditors who have not yet submitted the appropriate forms, do so as soon as possible**, or contact our hotline to obtain the necessary forms. Please note delays in submitting the required forms will affect the timing of any such distributions. In this respect, we refer you to section 6 of report dated 26 January 2005.

***Should you have any queries in relation to the above, please contact our hotline number at (852) 2289-5088 or by fax at (852) 2890 8345.***

Yours faithfully

  
Jan G W Blaauw  
Joint & Several Liquidator  
CSA Absolute Return Fund Limited  
(In Liquidation)